
ECONOMICS, LABOR & BUSINESS

focused almost exclusively on the stock market, where foreigners held an estimated \$45 billion worth of securities at the end of 1977. This is now rivaled by a great spurt of direct investment, says Samuelson, including the purchase of U.S. companies (e.g., Miles Laboratories by West Germany's Bayer AG), real estate (e.g., the purchase of farms and small real-estate developments by German and Italian investors), and in a few cases the construction of plants in the U.S. (e.g., Volkswagen's new factory in New Stanton, Pa.).

Although U.S. direct investment abroad (\$137 billion at the end of 1976) still surpasses foreign investment here, the latter is growing faster. The flow of foreign direct investment jumped 50 percent between 1973 and 1976—from \$20.5 billion to \$30.2 billion. The OPEC oil countries, however, have channeled most of their funds into U.S. Treasury securities (\$14.5 billion at the end of 1977), stocks and bonds (\$10.6 billion), or interest-bearing deposits (\$6.7 billion). The remaining \$10.7 billion in oil funds, says Samuelson, is thought to represent prepayment of imports (including military items) and repayment of outstanding debts.

Why the surge? Often, says Samuelson, "fear is the driving force." Individuals and medium-sized companies see the United States as a refuge from upheaval at home. In other cases, companies have reacted to growing U.S. trade restrictions. Japanese television manufacturers and ball bearing producers, for example, have invested heavily here to minimize the impact of U.S. trade barriers.

The investment flow also reflects the impact of large, foreign-based multinational firms searching for markets and profits in the American economy, which is now expanding more rapidly and steadily than that of the European community. Lastly, investments in the United States have been made cheaper by the decline in the value of the dollar.

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The Reassuring Barbarian Myth

"The 'Barbarians' in World Historical Perspective: Myth and Reality" by W. R. Jones, in *Cultures* (vol. IV, no. 2, 1977), Université Catholique de Louvain, 62 Tervuurse Vest, 3000 Leuven, Belgium.

The Greek word *barbaros*—first applied to those non-Hellenic people who "babbled" or "barked" like animals—has always carried overtones of cultural and ethical prejudice. Through the ages, the concept of "barbarian," argues University of New Hampshire historian Jones, was less an historical reality than a mythical invention used by "civilized" men to furnish reassurance of cultural superiority and to justify the most brutal forms of political, religious, and cultural aggression.

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The clash between civilization and barbarians was most intense during three eras: the second millennium B.C., when Bronze Age charioteers charged out of Central Asia to seize all the land between Mesopotamia and China; the age of Attila the Hun, in the 5th century A.D., when the Roman Empire was under siege; and the 12th and 13th centuries A.D., when Genghis Khan created a nomadic empire extending from the Pacific to the Hungarian plain. The characteristics shared by these and other barbarians were pastoralism and a nomadic way of life. Lifestyle, not race, says Jones, defined barbarian man.

The Central Asian nomads eventually found themselves in hostile climates and environments and were forced to adopt more "civilized" forms of economic and social organization. By the early Middle Ages, the distinctions between "civilized" and "barbarian" cultures had become artificial. Yet cultural prejudice continued to cause civilized men to judge outsiders by their own ideals of virtue and propriety and to label as "barbarous" any who did not conform to accepted notions of spiritual and moral excellence.

Long after historical "barbarism" had disappeared as a real threat to the civilized Western world, the word retained its cultural and moral connotations, separating farmers and city dwellers, for example, from shepherds and nomads. The "barbarian" myth survives, says Jones. "Modern universal historians from Gibbon to Toynbee have continued to employ the concept of the 'Barbarian' as a category of historical generalization and cross-cultural analysis."

Sizing Up the Ideal City

"The Polis Perplexity: An Inquiry Into the Size of Cities" by Kirkpatrick Sale, in *Working Papers for a New Society* (Jan.-Feb. 1978), Center for the Study of Public Policy, 123 Mt. Auburn St., Cambridge, Mass. 02138.

Philosophers (since Plato) and contemporary urban planners are in remarkable agreement that the optimum population for a city is between 50,000 and 100,000. America's planned "New Towns" (e.g., Columbia, Md., and Reston, Va.) were designed for an average population of 73,000, and similar limits have been set for new communities in Great Britain, China, the Soviet Union, Israel, and the Netherlands. So writes Sale, a writer specializing in politics and government. The root cause of today's urban crises, he says, may be that many older American cities have simply grown too big.

Today there is evidence that population size is the single most important factor in determining the quality of urban life. A U.S. city of 50,000 population can provide almost every business service found in much larger cities. Once a city exceeds 100,000, it becomes less efficient: Per capita costs of municipal services, such as schools and police, rise inexorably; the ability to deliver them declines. (In a city of 50,000—